

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

Adv. Pro. No. 08-01789 (CGM)

SIPA LIQUIDATION

(Substantively Consolidated)

In re:

BERNARD L. MADOFF,

Debtor.

IRVING H. PICARD, Trustee for the Substantively
Consolidated SIPA Liquidation of Bernard L. Madoff
Investment Securities LLC and the Chapter 7 Estate of
Bernard L. Madoff,

Plaintiff,

v.

MARTIN SAGE and SYBIL SAGE,

Defendants.

Adv. Pro. No. 23-01098 (CGM)

ORDER DENYING DEFENDANTS' MOTION TO DISMISS THE COMPLAINT

Defendants Martin Sage and Sybil Sage (collectively, the "Defendants") filed a motion to dismiss pursuant to Federal Rule of Civil Procedure 12(b)(6) and Bankruptcy Rule 7012 (the "Motion to Dismiss," ECF No. 5) the complaint filed against them by plaintiff Irving H. Picard, as trustee ("Trustee") for the substantively consolidated liquidation of Bernard L. Madoff Investment Securities LLC under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa-*lll*

and the substantively consolidated chapter 7 estate of Bernard L. Madoff (the “Complaint,” ECF No. 1).

On August 16, 2023, the Trustee filed his memorandum of law in opposition to the Motion to Dismiss. Opp’n, ECF No. 16. On September 13, 2023, Defendants filed their reply in further support of their Motion to Dismiss, which was corrected on September 14, 2023. Reply, ECF Nos. 21–22. On September 20, 2023, the Court held oral argument on the Motion to Dismiss. Hr’g Tr., ECF No. 30.

The Court has considered the Motion to Dismiss, the papers filed in support of and in opposition to the Motion to Dismiss, and the Complaint. On October 3, 2023, the Court issued a memorandum decision denying the Motion to Dismiss (the “Decision,” ECF No. 31).

Accordingly, it is hereby **ORDERED** that:

1. Pursuant to the Decision, the Motion to Dismiss the Trustee’s Complaint is denied.
2. Defendants shall file their answer(s) to the Complaint within 21 days of entry of this Order.

Dated: October 13, 2023
Poughkeepsie, New York



/s/ **Cecelia G. Morris**

Hon. Cecelia G. Morris
U.S. Bankruptcy Judge